

LEGISLATIVE UPDATE

2006 - 2007

PRESENTED BY:

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EDUCATION COUNCIL©

SB1360 - IDAHO REAL ESTATE LICENSE LAW

- **DEFINITIONS ADDED:**
- **“BROKERAGE REPRESENTATION AGREEMENT”**
- **Means a written contract between a buyer, seller, or both, and a real estate brokerage for agency representation in a regulated real estate transaction.**

DEFINITIONS ADDED:

- “BUSINESS CONDUCT & OFFICE OPERATIONS”
- In reference to a real estate course offering, the component of the advanced real estate course that is required in order to obtain a broker license and that teaches business practices and office operations of the brokerage, including record-keeping, trust account procedures and the laws governing those practices.

LICENSE EXAMS

- Registration for the exam and exam fee. An individual shall register for the exam in a manner authorized by the commission and shall pay at the time of registration the nonrefundable exam fee in an amount established by motion of the commission, not to exceed one hundred dollars (\$100).
- Failure to appear for the exam or to pass the exam. An individual who fails to appear for the exam or to pass the exam may register to take another exam. The individual must register and submit a new exam fee.

CONTINUING EDUCATION REQUIREMENTS

- Renewing license on active status. - A license renewing on active status must successfully complete a commission core course, plus sixteen (16) classroom hours of continuing education, on or before the current license expiration date.
- Change from inactive to active. Unless the license is within the initial licensing period, a license changing from inactive to active license status shall complete a commission core course, plus sixteen (16) classroom hours of continuing education, before he can change to active license status.

CONTINUING EDUCATION REQUIREMENTS

- Course providers: Course completion lists.
- Within five (5) working days after conclusion of each course instruction, the provider shall submit to the council or commission an alphabetical list which shall include the names, addresses, and social security numbers or, if licensed, the license numbers, of the students completing the course of instruction and the location.

PROPERTY TAX

HB421aaS – Effective date January 1, 2006

- To provide that the first seventy-five thousand (\$75,000) of the market value of whole property for assessment purposes of the homestead or fifty percent (50 %) of the market value for assessment purposes of the homestead, whichever is the lesser, shall be exempt from property taxation.

PROPERTY TAX

• EXAMPLE

- **ASSESSED VALUE** **\$130,000**
- **IMPROVEMENTS** **\$100,000**
- **LAND** **\$ 30,000**
- **NEW EXEMPTION** **\$ 65,000**
- **NEW TAXABLE**
 – **VALUE** **\$ 65,000**

• EXAMPLE

- **ASSESSED VALUE** **\$500,000**
- **IMPROVEMENTS** **\$400,000**
- **LAND** **\$100,000**
- **NEW EXEMPTION** **\$75,000**
- **NEW TAXABLE**
 – **VALUE** **\$425,00**

PROPERTY TAX

- Beginning for tax year 2007, the state tax commission shall publish adjustments to the maximum amount subject to property tax exemption to reflect cost-of-living fluctuations. The adjustments shall effect changes in the amount subject to tax exemption by a percentage equal as near as practicable to the annual increase in the Idaho housing price index as determined by the United States office of federal housing enterprise oversight. The state tax commission shall publish the adjustments required by this subsection each and every year the office of federal housing enterprise oversight announces a change in the Idaho housing price index.

HOMESTEAD EXEMPTION

SB1399 – EFFECTIVE DATE MARCH 30, 2006

- A homestead may consist of lands, as described in section 55-1001, Idaho Code, regardless of area, but the homestead exemption amount shall not exceed the lesser of (i) the total net value of the lands, mobile home, and improvements as described in section 55-1001, Idaho Code, or (ii) the sum of one hundred thousand dollars (\$100,000).

CIRCUIT BREAKER PROPERTY TAX RELIEF

HB422 - EFFECTIVE JANUARY 1, 2006

- Publications of changes in income limitations and property tax reduction amounts.
- (1) The state tax commission shall publish adjustments to the income limitations, which shall be the greater of:
 - (a) an individual's income as defined in section 63-701, Idaho Code, of not more than twenty-eight thousand (\$28,000) per household for tax year 2006, and each tax year thereafter; or
 - (b) one hundred eighty-five percent (185%) of the federal poverty guidelines for a household of two (2) for tax year 2006, and each year thereafter.

CIRCUIT BREAKER PROPERTY TAX RELIEF

- The lowest limitations shall allow a maximum reduction of one thousand three hundred twenty dollars (\$1,320) in tax year 2006 and thereafter, or actual property taxes, whichever is less. Each income limitation and reduction amount shall be prorated based on the basic maximum reduction, in practicable increments so that the highest income limitations will provide for a reduction of one hundred fifty dollars (\$150), or actual property taxes, whichever is less.

OCCUPANCY TAX

HB474 - EFFECTIVE JANUARY 1, 2006

- There is hereby levied an occupancy tax upon all newly constructed and occupied residential, commercial and **INDUSTRIAL** structures.
- This bill added industrial structures to the requirement for occupancy tax upon newly constructed and occupied structures.

PROPERTY TAX NOTICE

HB781 - EFFECTIVE DATE JULY 1, 2006

- This bill amended property tax notice to provide that school district taxes shall be separately shown on tax notices:

- (A) Maintenance and operations
- (B) Bond
- (C) Supplemental
- (D) Other

Interim payment account - Any person, upon applications to the tax collector, may establish a payment schedule to allow payments **including, but not limited to, monthly or quarterly, in amounts** of at least twenty-five dollars (\$25.00) or the balance owing, to be accumulated toward the payment of current or future real or personal property taxes.

AGRICULTURAL LAND - PLATTING

HB676 - EFFECTIVE JANUARY 1, 2006

- If land qualified for exemption pursuant to section 63-602FF, Idaho Code, in 2005, then the land will qualify in 2006 for the exemption pursuant to section 63-602K, Idaho Code, upon the filing of a statement by the owner with the board of county commissioners that the land will be actively devoted to agriculture pursuant to this section in 2006.
- For purposes of this section, the act of platting land actively devoted to agriculture does not, in and of itself, cause the land to lose its status as land being actively devoted to agriculture if the land otherwise qualifies for the exemption under Idaho Code section 63-604

SMALL CLAIMS

SB1400 - EFFECTIVE JULY 1, 2006

- This legislation raised the amount of money or damages or the value of personal property claimed not to exceed **five thousand dollars (\$5,000)** .

DEVELOPMENT IMPACT FEES

HB780 - EFFECTIVE JULY 1, 2006

- This legislation revised the procedure for the imposition of development impact fees and increase the number of years that a government entity may hold development impact fees before expending them and increase the maximum number of years that collected development impact fees may be held other than fees for wastewater collection, treatment and disposal and drainage facilities.

DEVELOPMENT IMPACT FEES

HB780 - EFFECTIVE JULY 1, 2006

- Procedure for the imposition of development impact fees. (3) A government entity that seeks to consider adoption, amendment, or repeal of a capital improvement plan shall hold at least one (1) public hearing. The government entity shall publish a notice of the time, place and purpose of the hearing or hearings not fewer than fifteen (15) nor more than thirty (30) days before the scheduled date of the hearing, in a newspaper of general circulation within the jurisdiction of the governmental entity.

DEVELOPMENT IMPACT FEES

HB780 - EFFECTIVE JULY 1, 2006

- Earmarking and expenditure of collected development impact fees. (4) Collected development impact fees must be expended with **eight (8) years** from the date they are collected, on a first-in, first-out basis. A governmental entity may hold the fees for longer the **eight (8) years** if it identifies, in writing:
 - (a) A reasonable cause why the fees should be held longer than eight (8) years;
 - (b) An anticipated date by which the fees will be expended but in no event greater than **eleven (11) years** from the date they were collected.

SMALL LAWSUIT RESOLUTION ACT

HB432 – EFFECTIVE MARCH 22, 2006

- This legislation removed the sunset clause of the Small Lawsuit Resolution Act that was passed and became effective January 1, 2003.
- Any party (either the plaintiff or defendant) to a lawsuit involving claimed damages of less than \$25,000 may elect to obtain a “neutral evaluation” of the case. This neutral evaluation is similar to an arbitration proceeding but unlike arbitration, it is nonbinding.

RESIDENTIAL MORTGAGE PRACTICES

HB584 - EFFECTIVE MARCH 22, 2006

- Unlawful acts. (1) Any person, except a person exempt under section 26-3103, Idaho Code, who engages in mortgage brokering or mortgage lending activities without first obtaining a mortgage broker or mortgage lender license in accordance with this chapter, shall be guilty of a felony.
- (2) Any person, not exempt under section 26-3103, Idaho Code, who engages in loan origination activities without first obtaining a loan originator license in accordance with this chapter, shall be guilty of a felony.

RESIDENTIAL MORTGAGE PRACTICES

HB584 - EFFECTIVE MARCH 22, 2006

- (3) No person, except a person exempt under section 26-3103, Idaho Code, shall engage in mortgage brokering activities, mortgage lending activities, or loan origination activities without first obtaining a license from the Department of Finance in accordance with this chapter.

ANIMAL FEEDING OPERATIONS

HB492 - EFFECTIVE JULY 1, 2006

- To provide that requests by boards of county commissioners for suitability determinations by site advisory teams shall include the actual animal capacity of the facility.
- 67-6529C DEFINITIONS:
- (1) “CAFO,” Also referred to as “concentrated animal feeding operations” or “confined animal feeding operation,” means a lot or facility where the following conditions are met:

ANIMAL FEEDING OPERATIONS

HB492 - EFFECTIVE JULY 1, 2006

- (c) The lot or facility is designed to confine or actually does confine as many as or more than the numbers of animals specified in any of the following categories:
- Seven hundred (700) mature dairy cows, whether milked or dry; one thousand (1,000) veal calves; one thousand (1,000) cattle other than mature dairy cows or real calves; two thousand five hundred (2,500) swine each weighing fifty-five (55) pounds or more; ten thousand (10,000) swine each weighing less than fifty-five (55) pounds; five hundred (500) horses; ten thousand (10,000) sheep or lambs; or eighty-two thousand (82,000) chickens.

ADVERSE POSSESSION

SB1311 - EFFECTIVE JULY 1, 2006

- This legislation relates to limitations of time for an adverse possession. The required time for an adverse possession has been increased from 5 years to 20 years.